

serve catchment areas in which no migratory agricultural workers or members of their families reside for any period in the applicable calendar year but in which 6,000 or more seasonal agricultural workers and the members of their families reside.

(6) Lowest priority will be given to approvable applications which propose to serve catchment areas in which no migratory agricultural workers or members of their families reside for any period in the applicable calendar year and in which fewer than 6,000 seasonal agricultural workers and the members of their families reside.

(b) Grants under sections 319(c) (1)(B) and 319(d)(1)(C) of the Act and subparts E and F of this part will be made in accordance with priorities set forth in paragraphs (a)(2) through (a)(6) of this section, in the order set forth.

(c) For the purposes of this section, the applicable calendar year will be the calendar year for which data is provided in accordance with § 56.104(b)(3) of this subpart.

§ 56.108 Use of grant funds.

(a) Any funds granted pursuant to this part, as well as other funds to be used in performance of the approved project, may be expended solely for carrying out the approved project in accordance with section 319 of the Act, the applicable regulations of this part, the terms and conditions of the award, and the applicable cost principles prescribed in subpart Q of 45 CFR part 74.

(b) Project funds awarded under this part may be used for, but need not be limited to, the following:

(1) The costs of acquiring and modernizing existing buildings (including the costs of amortizing the principal of, and paying interest on, loans), but only in accordance with subpart H of this part and as approved in the grant award;

(2) The costs of obtaining technical assistance to develop and improve the management or service capability of the project but only as approved by the Secretary;

(3) To reimburse members of the grantee's governing board established pursuant to § 56.304 of subpart C, or advisory council established pursuant to § 56.603(q) of subpart F, if any, for rea-

sonable expenses actually incurred by reason of their participation in the activities of such board or council;

(4) To reimburse such governing board or advisory council members who are individuals eligible to be served by the project for wages lost by reason of participation in the activities of such board or council;

(5) The cost of delivering health services to migratory agricultural workers, seasonal agricultural workers and the members of their families within the project's catchment area, within the following limitations: grant funds may be used to pay the full cost of project services to such individuals and families with annual incomes at or below those set forth in the most recent "CSA Income Poverty Guidelines" (45 CFR 1060.2) issued by the Community Services Administration, and to pay the portion of the cost of services provided in accordance with the schedule of discounts which, under such schedule, is uncompensated; *Provided, That*

(i) Charges will be made to such individuals and families in accordance with § 56.303(f) of subpart C or § 56.603(e) of subpart F, as applicable;

(ii) Reasonable effort shall be made to collect such charges under a billing and collections system; and

(iii) The charge to grant funds shall exclude any amounts collected pursuant to paragraph (b)(5)(ii) of this section;

(6) The cost of insurance for medical emergency and out-of-area coverage; and

(7) The cost of providing to the staff and governing board, if any, of the project training related to the management of an ambulatory care facility, and to the staff of a project funded under subpart C, D, or F of this part, training related to the provision of primary, supplemental and environmental health services provided or to be provided by the project, consistent with the applicable requirements of 45 CFR part 74.

(c) Prior approval by the Secretary of revisions of the budget and project plan is required whenever there is to be a significant change in the scope or nature of project activities.